



January 18, 2008

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Via e-mail: eric.taylor@alaska.gov

Re: Concerns with the 2030 Let's Get Moving Long Range Transportation Policy Plan Update

Dear Mr. Taylor:

First of all, I would like to thank you for your time yesterday participating in the teleconference with me and other representatives of City and Borough government. The following comments are submitted on behalf of the City of Ketchikan.

1. Purpose and effect of the plan and plan implementation:

The Plan is more than the mere formality and general outline as suggested by state officials.

In the very first paragraph of the Commissioner's Message, it states that the plan "is not intended as a formal statement or list of projects that have been prioritized or selected for funding." However, as will be noted below, the plan does in fact prioritize a number of projects for funding. "It helps set priorities and guides resource allocation (p. 2)."

2. Lack of Adequate Public Involvement:

- A. Despite numerous statements stating that the plan was developed with early and ongoing public participation, there has been little if any as far as Ketchikan is concerned. Notices and copies of the plan were not sent to elected and appointed officials; interested members of the public were not given opportunities to participate; notices soliciting public comment were apparently not published in the local media. Public meetings were held only in Anchorage, Fairbanks, and Wasilla. No public meeting was convened anywhere in Southeast Alaska to review the plan and solicit comment from citizens of that community.

The plan claims that DOT has a "robust open planning process through which regional and community plans are developed (p. 9)." It does not. In my many years of dealing with state officials, including those from DOT, this is the first time I can recollect that an important document was released for public comment without direct notice sent to elected officials (at least in Ketchikan), and the public comment period established to essentially extend from Thanksgiving to the New Year, when many potential respondents are preoccupied with family and when many DOT officials themselves were probably not available to answer questions and provide information in a timely manner. In sum, contrary to the statement contained in the plan, all reasonable opportunities were not provided for comment on the draft plan.

- B. The plan states that DOT has a "collaborative process that, at the statewide level, provides a framework for making publicly transparent decisions." DOT does not make publicly transparent decisions, e.g. the Gravina Access project in Ketchikan was cancelled with no notice to, or discussion with, anyone in Ketchikan.

3. Funding Issues:

- A. The draft plan notes that the state "does not have sufficient funding" to preserve existing transportation infrastructure while also adding to the system. The plan does not adequately explain how the state can be expected to maintain new transportation infrastructure if it is not able to maintain what it now owns.
- B. The plan seems to rely, in addition to federal funding, only on annual cash appropriations from the legislature to meet transportation needs. While the plan suggests that local communities might want to bond for local projects, there is absolutely no discussion of the state -with its billions in revenue and in surplus- bonding to fund unmet needs, and then using annual appropriations to pay debt service. This absence of this alternative being considered is a serious flaw in the draft plan. Furthermore, the Governor has proposed using a state bonding mechanism for some transportation projects in the budget she recently submitted to the legislature. The draft plan should be amended to incorporate state bonding as an alternative means of financing.
- C. The plan states, that DOT's "continuing planning efforts are structured to provide openness and accountability for how funds are spent (p. 15)." Again, using Gravina Access as an example, it has been difficult for a member of the public to find out how funds appropriated for the project have been spent.

4. Economic Development:

The plan purports to support economic development (p. 12). However, no mention is made, in any part of the document, of the state-owned Ketchikan Shipyard, and the role that it plays in economic development of the region and state.

The plan also purports to provide efficient reliable access to local, national, and international markets. However, neither the Gateway Ferry between Ketchikan and

Prince Rupert, nor the latter community's emergence as a significant container port, is referenced in the document. The failure to do so seemingly contradicts the first of eight planning factors (p. 3) mandated by federal law, i.e. "support economic vitality... by enabling global competitiveness, productivity, and efficiency." The draft plan should be amended to incorporate both the Ketchikan Shipyard, the Gateway Shuttle, and the role of Prince Rupert.

5. Environment and Quality of Life:

The plan does not mention how it will assure that state-owned airport facilities have access for physically handicapped persons. It is my belief that access by handicapped/physically limited persons to and from the Ketchikan airport does not meet federal requirements, e.g. if a person who needs to use crutches disembarks from an aircraft, access to and from the airport ferry does not meet current standards. The draft plan should be amended to incorporate language which indicates intent to assure that state facilities are readily accessible by handicapped and/or physically limited persons.

6. Strategic Goals:

- A. The plan states that "an assessment of Alaska's strategic priorities must begin with a clean slate." I agree. However, the Department apparently plans to maintain the status quo in terms of staff (numbers and responsibilities) as well as a number of the same projects that have been previously nominated by communities and/or DOT staff.

The Department apparently intends to plan and design approved projects in the same way it has done for many years, including taking a large charge from project appropriations for design and administrative overhead. If DOT is truly committed to a "clean slate," it will examine other methods for project design and administration, including private sector design, assigning responsibilities to local governments which are willing to complete a given project, etc. The draft plan contemplates no alternatives to the status quo, and should be amended to do so.

The term "system level" is used throughout the draft document. It appears to mean, "as determined by DOT staff without regard to community and/or public input." DOT should clarify the meaning of the term.

- B. One strategic goal in the plan is to modernize the National Highway System. That is a laudable goal. However, with respect to the AMHS (part of the NHS), the plan seems to contemplate only replacement of existing vessels; not a single new additional vessel -including the Gateway Shuttle- is planned through 2030. This is an oversight. The draft plan should be amended to address this issue.
- C. Another example of DOT not in fact starting with a clean slate is the plan's identification of the Juneau Access road as one of its "strategic new system links". It should be noted that my concerns are not with the project per se. My concerns are rather related to the double standard DOT has used when assessing the Juneau Access and Gravina projects, particularly with respect

to the estimating of project costs and the impacts of those costs on other projects in the region and the state. This is because the Juneau Access project has always been favored by DOT personnel in Juneau, while the Gravina project has not been. While including the Juneau Access project, the plan at the same time excludes any mention of improving Gravina Access by any alternative identified in the federally funded EIS.

The concern with including the Juneau Access road as a priority project in the plan is multifaceted. First, the state seems to have deliberately underestimated the cost of the project. The state uses a current estimate of \$350 million despite an original estimate of \$1 Billion when the project was first conceived. In a recent media report, a DOT representative essentially said that the real costs were unknown, and wouldn't be known until the project was under contract; i.e. DOT has no idea of the real costs of the project. The current estimate does not take into account a DOT-commissioned comprehensive geological study which has apparently been performed along the right of way and which, if included in the estimate, would likely result in another large increase in the expected cost of the project. In Ketchikan, DOT in recent years completed a one-mile project in terrain which is less difficult than the proposed route of the Juneau project. The Ketchikan project was originally estimated to cost about \$6 million. It is my understanding that its final cost was in excess of \$26 million.

The \$350 million "estimate" for the proposed Juneau project includes \$0 for contingency, while DOT had budgeted very large contingencies for the Ketchikan project. This disparate treatment has never been explained adequately by DOT, and needs clarification.

Finally, and most importantly, in including the Juneau Access Road in the statewide plan as a strategic priority, DOT has failed to examine and publicly discuss its impact on other projects in the region and the state. For many years, DOT officials (who, as noted above, were not partial to the Gravina project) claimed that every dollar spent on the Gravina project was a dollar that could not be spent in another community, while NOT ONE DOLLAR spent on the Juneau project (to which, as noted above, DOT was partial for a variety of policy and other reasons) seemed to have a similar effect on other projects. Recently a DOT official advised me that, at least in part due to a change in anticipated funding sources, the Juneau Access project would in fact have an adverse impact on funding available for other projects in the region and state. That fact is not referenced in the draft plan.

The Juneau Access project should be removed from the draft plan, and like other projects, be addressed through development of the regional plan in hopefully what will be an open and transparent process using the same standards for prioritization, cost estimates, and allocations.

- D. The draft plan notes that improvements will have to be made to accommodate the proposed gas line under AGIA. That is commendable. There does seem to be some discussion as to when such improvements might be needed, i.e. what is the earliest that any pipeline proposal would result in the start of construction, assuming that such construction actually

occurs; what is the exact route, etc. The plan clearly indicates that much of the information needed for planning decisions is unknown. However, the plan also suggests that funds will be spent in the near future on improvements only needed if the gas line is built. This discrepancy needs clarification.

7. DOT claims that the plan was developed through an open public process. DOT also claims that choices have to be made based upon fiscal realities, including at best slowly increasing federal funds. Yet the plan (p. 25) seems to be critical of the fact that the DOT planning process has actually "focused on securing funding for system development projects that are advocated by communities to address specific needs." What is wrong with that? The draft plan also contemplates no reorganization of the department, in an effort to reduce its operating costs, thus freeing up money to fund projects.

The draft plan (p. 25) also appears to express concern that the planning process in the past has been "project oriented," reinforced by federal funding and the large increase in project earmarks. First of all, DOT should be responsive to projects, which are advocated by communities to address specific needs. The fact that there has been an increase in project earmarks may in fact be due to DOT ignoring community needs and allocating project funding consistently in a biased manner, resulting in concern and frustration at the community level. While there are those who think that earmarks are "bad," I support earmarks to the extent that they are funding projects addressing a specific community need as identified through a public process.

Finally, the draft plan may have changed the word "project" to "investment," but the effect is still the same, i.e. if investments don't result in projects, the state is in trouble.

8. It appears that maintenance will be funded at current levels at a minimum, and will increase proportionately if the total DOT budget increases. It is not clear why a possible increase for maintenance activities should be a fixed proportion of a total budget, nor is it clear why a potential target of \$239 million has been selected (and if that figure is to remain unadjusted through 2030).
9. The plan calls for DOT to "evaluate the future funding and business practices of AMHS" (p. 28). The draft continues to note that "the cost of replacing vessels cannot be funded from current revenue streams." The state should consider seeking federal earmarks to help with the cost of vessel replacement. Furthermore, the draft plan should be amended to mandate that DOT should similarly evaluate the entire Department, especially if it is truly starting with a clean slate as claimed in the draft document.
10. In Strategy 3: Constrain Needs (p. 30), DOT notes its intention to "amend the regional plans to provide a constrained tiered set of priorities," that "regions should consider new or more affordable transportation solutions to include in their plans," etc.

This further demonstrates that adoption of this document is intended to carry some weight despite assertions to the contrary, and that inclusion of the Juneau Access

project -with its incomplete and at best speculative cost estimates- could have impacts that reverberate throughout the region and the state.

11. The plan suggests (p. 31) that perhaps projects funded through the Community Transportation Program (to which 39% of non-restricted federal funds are allocated) should instead be funded through the Local Service Roads and Trails Program. Other than stating that the latter program has not been funded in a number of years, the draft plan is silent on what this suggestion means in actual dollars. It would be helpful if the draft plan was revised to specify the level of federal funding allocated to the CTP, so that the magnitude of an appropriation necessary to replace the lost federal funding could be determined.

12. Ports and Harbors:

Port and harbor infrastructure critical to coastal communities is given very little treatment in the draft plan. There is also no mention of the fact that, when harbors were transferred to local governments by the state, the cost of upgrading the harbors was vastly underestimated by DOT. The draft plan should contain some reasonable method of correcting that error. There is also no mention of the state's new marine passenger fee, which is yielding significant amounts of revenue each year (with federal law limiting its expenditures to projects related to cruise vessels and passengers, e.g. ports).

13. The draft plan uses a Fall 2006 Revenue estimate (p. 45). This should be updated, including the addition of significant new revenues resulting from both high oil prices and the passage of a large oil tax increase.
14. On p. 50, it is again noted that DOT contemplates no fleet additions to the AMHS. The Gateway Ferry should be included in the plan.
15. The plan repeatedly refers to a subsidy for the AMHS (p. 59). It does not use similar terminology for government funds which are needed for highways, airports, and other transportation infrastructure. The plan should use consistent terminology.

In sum, I believe that as drafted, the plan could have long-term adverse impacts on Ketchikan and other Southeast Alaska communities outside of Juneau.

Sincerely,



Bob Weinstein
Mayor